

Notes for an address at the  
Socio-Economic Development Discussion Forum V at the

*Government Leaders Forum — Americas*

Redmond, Washington, U.S.A.  
May 18, 2004

Maureen O'Neil, President  
International Development Research Centre (Canada)

It is a great honour, and a pleasure, to participate with you in this distinguished Government Leaders Forum — and I am particularly pleased to speak to the issue of ‘socio-economic development at the time of transition to a knowledge society’ from a human development perspective. This is, after all, the ground that Canada’s International Development Research Centre has been working since its creation by Parliament in 1970. The Centre’s support of development research has always been rooted in its founding principle that knowledge can free people in their communities to shape their own futures, and build evidence for improved social and economic well-being. For almost 35 years, IDRC has considered empowerment through knowledge to be both our formal mission statement and our *modus operandi*.

We are invited, in this session, to discuss what kind of knowledge societies should develop, and what this means in terms of development goals, values, and the distribution of resources. And if there is anything that defines this hemisphere – more than just about any other region – it is the equity and distribution question.

I would like to turn our discussion to a few lessons that IDRC has aggregated from three decades of information science, information systems, knowledge systems, and Internet and society research support particularly in this Hemisphere. I will also make some comments about our work on social and economic equity, since these strategies are inter-related when it comes to human development. Notwithstanding the rich set of conceptual issues that our chair and facilitator has put before us, I would like to suggest four basic – you might even say simplistic – principles to drive our discussions on the knowledge society transition.

1. The first of these relates to patience – patience in a time of transformational technologies changing the way we live, think, work, and develop as humans. For those of us caught up in the thick of these transformations in our Western societies, it is useful to recall how many are still marginalised in the South: According to the UNDP Human Development Report, almost one-third of the region still lives with an income of under \$2 a day. As well, less than 10% of Latin America has access to the Internet

In developing countries, we are expecting poor people – and poorly resourced scientists – to adopt technologies and develop innovation systems that compress 100 years of our technology experiences and that are meant to be driven largely by private sector investments. I think that both of these are happening at exciting rates in some of the economies of the region – but we have to be patient in our expectations of the rate at which we fully realize this transition to knowledge societies.

So, a fundamental challenge in Latin America is to understand better how to drive and scale up social investments and to develop better models for distributing technology adoption.

We also need patience, though, to appreciate the long-term benefits that will come from open and free trading systems and globalization for developing countries. Through the work of our Social and Economic Equity program, which looks at mapping poverty and research on the impacts of liberalization, it is clear that governments and local institutions have key roles to play in creating the right policy environment and the right institutions. A recent report prepared by the International Fund for Agricultural Development parallels some of our own research findings. Trade liberalization impacts relating to production, income, and distribution are heavily influenced by the institutional, policy, and social construct at the national level. Included in this environment is the right access to technology and information which they can translate into knowledge.

2. My second point is remembering that, as Jeff Sachs has said, “geography matters”. I have already mentioned the equity issue in Latin America as a defining feature. We also know Latin America to be characterized by a huge trend in urbanization.

Regional specificity in the way we approach the transition to knowledge societies matters greatly. As Martha Garcia-Murillo at Syracuse University has noted, the needs of companies, customers, clients, and technology applications are very different in Latin America. We should not expect – and we have not experienced – that ICTs and the Internet roll out in the same way in developing countries as they have in the North. The African, Asian, and Latin American experiences are becoming quite distinct.

For example, remittances are a huge issue in many countries and often account for a significant portion of GNP earnings – in Latin America, an estimated \$30 billion is transferred every year from families living abroad. WWW dot Tienda Inglesa dot com dot UY ([www.Tiendainglesa.com.uy](http://www.Tiendainglesa.com.uy)) is the virtual home of one of Uruguay’s largest grocery retailers, the same country in which we house regional operations. The interesting point about this site, where grocery items can be bought on-line if you aren’t able to visit one of Tienda Inglesa’s 12 grocery stores, is that the Web site and a call centre provide a significant portion of revenues to the company. But most purchases are not local. This made-in-Latin America e-commerce model is used by Uruguayan diaspora living overseas to purchase groceries on-line for their families as an alternative to sending goods or money home. A phone call is received by the family in Uruguay to notify them where they can pick up their goods, free of charge.

This is not a line of business we would expect to see in the West but one that makes a lot of sense in lower-income countries. If you don't have family in Uruguay but you do in El Salvador, you can go to [www.elsalvadorpizza.com](http://www.elsalvadorpizza.com) and send your loved ones a pizza charged to your Visa card.

I mentioned urbanization as a growing trend. In the slums, or favelas, of Rio de Janeiro, the IDRC-based Institute for Connectivity in the Americas has put in place pilot projects to provide wireless broadband access to computer centres in very poor areas. We have joined forces with the Ministry of Science and Technology and the University of the State of Rio de Janeiro – who contribute a fibre optic-based, high-speed academic network. We added local private-sector-developed wi-fi solutions and teamed with existing computer centres operated by two NGOs, Viva Rio and the Committee for Democracy in Information Technology, who previously had no Internet access. The result is very low-cost broadband access in marginal and poor areas in which traditional approaches to development have not worked.

Again, this is a distinct solution for a country like Brazil that has experienced tremendous economic growth and pockets of sophisticated technology adoption, but where urban poverty remains a huge issue.

3. My third point is that transitions to a knowledge society will not happen without a first and binding ingredient of local capacity. This really gets into the bread and butter of IDRC work. Research has shown a strong link between growth in advanced economies and spending in research and development, in investments in science and technology or, more broadly speaking, in innovation systems.

It is tempting to speak of higher systems of learning and national systems of innovation, and this is an area where I do believe investments must be priorities. These are not easy trade-offs for struggling economies – investments for longer-term gains in science and technology over short-term delivery of basic services. In a region where only 20% of the population goes beyond primary school, there are huge investments required.

But recognizing this focus on primary education, a number of countries in the region are experimenting at basic levels to introduce Internet and computer technologies in the school system. IDRC's Pan Americas is working with a research institute from Argentina to research and exchange best practice in Schoolnets across six countries in the region; the focus is on how national experiences and capacities will develop in unique ways. Social interventions such as these, and IDRC's support over the last five years for Somotelecentros – a regional support network to telecentres – all the way to providing graduate study support for a new Masters degree in ICTs – largely aimed at civil servants in Latin America – are helping to diffuse the importance of the new technologies for local development.

But it is not only about the importance of these new technologies, or even our hobby horse of a focus on science and technology capacity-building. There is one thing we know about national success in the present age: The countries that will thrive best in the global economy are those that are truly open. And openness means more than open trade, open investment, or open

borders. An open society invites new ideas, shows a high tolerance for dissent and criticism, and freely engages in the rethinking and reworking of its own governance. In short, successful societies respect and protect the full exercise of civil and political rights. The exercise of these rights and freedoms is, intrinsically, an essential element of human development.

As Amartya Sen, the Nobel economist, advised us not too long ago on this very issue of ICTs and development, one of the strongest paths to promote local capacity and technology diffusion will be creating alliances across other development sectors, such as health and education.

Another path will involve this growing emphasis on e-government. Many have reminded us, though, that there is no basis for e-government without a sound and strong government. This includes adopting policies and taking action to enable domestic gains from measures such as trade liberalization, as mentioned earlier, to ensure that citizens can acquire and apply knowledge to their development, and to install systems so that people can hold governments accountable. IDRC's Institute for Connectivity in the Americas is supporting the first virtual Parliamentary Forum in the region, supporting the national government's @Campus in Mexico to train public servants, while the IDRC-housed Environmental Management Secretariat supports a mayor's forum – again, given the important context of cities and municipal governance in Latin America.

4. Let me end on a related note of alliances, partnerships, and scaling up our investments – and here, it is clear from our ongoing engagements in Latin America that the region sees us all as part of one Hemisphere where public and private sectors need to find new ways to work together to build growth and wealth. Whether it is linking developing-country researchers to global networks or facilitating adoption of foreign technologies – not leaving out the local capacity-building I emphasized earlier –, clearly, international collaboration is a positive force both for growth and for human development.

Finally, I would like to talk to you about E-Link Americas – a scaled-up, open standards, wireless (satellite and Wi-fi), end-to-end broadband solution for social inclusion and connectivity of rural health clinics, telecentres, small municipalities, and schools throughout the Americas. It entails all of the three other variables I mentioned – it builds on the patience of all the developing-country pioneers who have been early adopters of wireless technology, understanding that economies of scale and innovation are key building blocks that are intrinsically linked. It is very much a regional initiative and it works to build local capacity.

To illustrate the point, imagine a young doctor who must complete his training by doing a one-year internship in a small city in Guatemala. He or she is typically very computer literate. Upon arriving, he or she finds no Internet service, badly-managed patient records, and sometimes no phone service. Indeed, these young physicians are often not able to follow the World Health Organization's guidelines, which say that interns must communicate with their superiors. Additionally, ongoing training is impossible. Through E-Link Americas, we want to change this paradigm and allow the young professionals to take leadership roles in e-health, and online training. The Institute for Connectivity in the Americas is working with a Latin American group of medial doctors called Era Digital to make this a reality.

Organisations like IDRC have been social investors in human development – we have been called a social venture capitalist, and because of our focus on innovation, a venture capitalist of ideas. One of the basic principles of social investment and of partnerships is to build on existing networks. This is one of the reasons why we are so delighted to be here. Microsoft, in its vision for the Community Technology Support Network, understands the value of also being a social investor. It is building on ideas that produce change – and no doubt markets – in developing countries, and is helping to scale these networks to connect even more people to the knowledge society.

And this is where I will end: When you account for unrealised purchasing power in Latin America, it is clear that there is a huge market to be tapped. But we must be patient, we must recognize the specificity of Latin America in all its diversity, we must be prepared to invest in the building of local capacity for longer-term growth and innovation – and use partnerships to scale up our best ideas and our strongest human development network.